

**ASSEMBLY BILL**

**No. 907**

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**Introduced by Assembly Member Chesbro**

February 26, 2009

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An act to amend Section 48650 of the Public Resources Code, relating to oil.

LEGISLATIVE COUNSEL'S DIGEST

AB 907, as introduced, Chesbro. California Oil Recycling Enhancement Act: rerefined oil.

The California Oil Recycling Enhancement Act, administered by the California Integrated Waste Management Board, among other things, generally requires every oil manufacturer to pay to the board an amount equal to \$0.04 for every quart, or \$0.16 for every gallon, of lubricating oil sold or transferred in the state, or imported into the state for use in the state.

This bill would authorize the board to develop a program to provide incentives to manufacturers of rerefined oil, as the bill would define that term, to develop additional capacity for the rerefining of used oil.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 48650 of the Public Resources Code is
- 2 amended to read:
- 3 48650. (a) Every oil manufacturer shall pay to the board, on
- 4 or before the last day of the month following each quarter, an
- 5 amount equal to four cents (\$0.04) for every quart, or sixteen cents

1 (\$0.16) for every gallon, of lubricating oil sold or transferred in  
2 the state, or imported into the state for use in the state in that  
3 quarter. For lubricating oil sold by weight, a weight to volume  
4 conversion factor of 7.5 pounds per gallon shall be used to  
5 determine the fee. Except as provided in subdivision (b), ~~no~~  
6 payment is *not* required for oil ~~which~~ *that* meets any of the  
7 following:

8 (1) Oil for which a payment has already been made to the board  
9 pursuant to this section.

10 (2) Oil exported or sold for export from the state.

11 (3) Oil sold for use in vessels operated in interstate or foreign  
12 commerce.

13 (4) Oil imported into the state in the engine crankcase,  
14 transmission, gear box, or differential of an automobile, bus, truck,  
15 vessel, plane, train, or heavy equipment or machinery.

16 (5) Bulk oil imported into, transferred in, or sold in the state to  
17 a motor carrier, as defined in Section 408 of the Vehicle Code,  
18 and used in a vehicle designated in subdivisions (a) and (b) of  
19 Section 34500 of the Vehicle Code.

20 (6) The oil otherwise subject to payment pursuant to this  
21 subdivision has a volume of five gallons or less.

22 (b) If oil exempted from payment pursuant to subdivision (a)  
23 is subsequently sold or transferred for use, or is used, in this state,  
24 and the use does not qualify for exemption pursuant to subdivision  
25 (a), the entity ~~which~~ *that* sells, transfers, or uses the oil for a  
26 purpose ~~which~~ *that* is not exempt from payment, shall make the  
27 payment specified in subdivision (a).

28 ~~(e) This section shall become operative on January 1, 2000.~~

29 *(c) (1) The board may develop a program to provide incentives*  
30 *to manufacturers of rerefined oil to develop additional capacity*  
31 *for the rerefining of used oil.*

32 *(2) For purposes of this subdivision, "rerefined oil" means a*  
33 *lubricant base stock or oil base that has been derived from used*  
34 *oil and meets all of the following criteria:*

35 *(A) Processed using a series of mechanical or chemical methods,*  
36 *or both, including, but not limited to, vacuum distillation, followed*  
37 *by solvent refining or hydrotreating.*

38 *(B) Capable of meeting the physical and compositional*  
39 *properties, in addition to the contaminants and toxicological*

- 1 *properties, as those terms are defined under the American Society*
- 2 *for Testing and Materials (ASTM) D6074-99 standards.*
- 3 *(C) Processed into a material that has a quality level suitable*
- 4 *for use in a finished lubricant.*

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